UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
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EMS TRANSMISSION
Information Bulletin No. HR-2003-056

To: All BC, HR, NI, ST, NCS-WO and BIA Field Office Employees

From: Director, National Human Resources Management Center

Subject: Initial Open Season for Flexible Spending Accounts (FSAs)

The first open season will begin May 19th and end June 20, 2003. During this time employees can elect to enroll in the healthcare FSA (HCFSA) and/or a dependent care FSA (DCFSA). For the healthcare FSA, employees may elect a maximum of $3,000 per plan year. For the dependent care FSA, an annual maximum of $5,000 may be elected. For both benefits, the minimum election must be $250. Once your monthly contribution is elected, it cannot be changed during that calendar year. Elections for this "short" calendar year will become effective on July 1, 2003. These accounts are governed by the IRS code and allow employees the option of using pre-tax dollars to pay health and dental care expenses, as well as dependent child and adult care expenses. Once you have your account set up, reimbursement may be requested as eligible expenses are incurred.

The Office of Personnel Management has awarded a contract to SHPS to serve as the Administrator of this new Federal program. SHPS will be responsible for enrollment. More information on this program is available at www.fsafeds.com or by calling the toll-free number 1-877-FSAFEDS (372-3337) to speak with a customer service representative.

In order to participate, a new election will be required each year. Subsequent open seasons will occur annually during the same period of time as the FEHB open season (mid-November through mid-December). Employees will have the opportunity to elect a HCFSA and/or a DCFSA for the plan year, which will begin the next January 1.

When choosing the amount of your deduction, please keep in mind elections made now will be for a shorter period of time (6 months) than future open seasons, which will be made for 12 months. Elections made effective July 1, 2003, will remain in effect until

December 31, 2003. To avoid forfeiture of contributions, do not choose to contribute more than you will use during this six months.

One aspect employees need to be aware of is the “use it or lose it” rule. If employees have not incurred enough eligible expenses during the plan year to equal the annual amount they have contributed to their FSAs, they will lose the balance remaining in their account when the plan year ends. Under current law, funds remaining in an FSA account at the end of a calendar year are forfeited. Legislation is being supported in Congress that would permit annual rollovers of up to $500 for each established health care FSA or dependent care FSA. Any update will be provided on SHPS’s web site www.fsafeds.com.

Signed	Authenticated
Linda D. Sedbrook	Luron Porter
Director, NHRMC	Secretary

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